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AUTOMOBILE SPARE PARTS

AN OVERVIEW OF THE MARKET-GUATEMALA

CANADIAN EMBASSY

TRADE DIVISION - GUATEMALA

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INTRODUCTION

We understand by automobile spare parts all those components of a vehicle, be these motor/mechanical, chassis or electrical, which by implication, at one time or another need to be replaced to insure the satisfactory overall performance of an automobile or truck. It is the intention of this survey to analyze the market with a view to increasing the participation of Canadian manufacturers in a sector that offers very good potential and in which they traditionally have had very limited success. We will expand on the dimension, importance, and access to the market.

We will do a brief analysis of the short and long term potential emphasizing the perspectives and problems Canadian exporters might encounter and also recommend the best strategy for market penetration. We wish to clarify that this survey will not be a detailed market analysis of a particular product. The range of products is so vast that a detailed study of each one is beyond the scope of this overview. Our primary intention is to create an awareness of the sector and to motivate Canadian manufacturers to undertake marketing activities in Guatemala.

IMPORT STATISTICS

The 1987-1991 five year import statistics (see table) clearly show a healthy replacement part market. The trend for Guatemalan imports has been very stable and predictable in the last five years but we anticipate that, because the vehicle population is increasing dramatically, that the market for replacement parts will do so accordingly in the short and medium term.

TABLE 1

TOTAL REPLACEMENT PARTS MARKET/GUATEMALA CIF U.S. $

1987	$ 23,452,755.00
1988	$ 16,902,366.00
1989	$ 20,313,368.00
1990	$ 17,812,707.00
1991	$ 20,512,481.00

Automobile and truck replacement parts are almost entirely imported as local production is limited to some low technology items such as springs and brake linings. The disappointing aspect of this market potential is that Canadian sales in the five year period analyzed can be described as minimal and have been approximately 1%

or less in terms of market share. There is no reason why in a $20 million a year consumer market in which Canadian manufacturers have proven expertise, in which geographic proximity and a devaluated dollar are added incentives, Canada cannot increase its export participation in direct competition with countries like Sweden, Mexico, Italy, Spain, and South Korea.

TABLE II

PRINCIPAL SUPPLIERS AND % OF MARKET SHARE CIF U.S.$

YEAR	U.S.A.	%	JAPAN	%	GERMANY	%	ITALY	%
1987	9,112,336	38	8,537,903	36	1,753,964	7	746,161	3
1988	6,855,478	40	4,941.585	29	1,197,217	7	462,132	2
1989	8,464,585	41	5,619,913	27	1,285,251	6	535,770	2
1990	7,266,205	40	5,449,648	30	1,180,208	6	436,778	2
1991	9,203,128	44	6,313,150	31	876,441	4	223,931	1

YEAR	ENGLAND	%	MEXICO	%	BRAZIL	%	KOREA	%
1987	677,008	3	415,514	2	373,068	2	262,514	1
1988	576,869	3.4	264,246	2	668,031	4	313,906	2
1989	523,883	2.5	666,003	3	1,053,213	5	365,069	2
1990	469,008	2.6	285,645	1	520,081	3	323,256	2
1991	377,035	2	400,193	2	844,758	4	311,002	2

YEAR	SPAIN	%	SWEDEN	%	FRANCE	%	CANADA	%
1987	244,107	1	215,155	0.9	199,385	0.8	38,267	0.2
1988	267,987	2	204,103	1.2	94,721	0.5	16,525	0.1
1989	173,340	1	198,716	0.2	115,455	0.5	105,619	0.5
1990	214,661	1.2	200,716	1	145,639	0.1	24,607	0.1
1991	520,020	3	122,911	0.6	119,320	0.5	44,243	0.2

The lions share of the market is held by those countries that have an automobile manufacturing industry and which have local dealers. In this context we find that in the five year period for which we obtained import statistics the United States, Japan, Germany, Brazil, China, Mexico, Italy, Great Britain, South Korea, Sweden Spain, and France are the countries that sell the largest percentage of replacement parts to Guatemala. The bulk of this business is comprised of factory sales to service dealers, but a survey we undertook with independent importers indicates that about 15% of replacement parts imports originate from other manufacturers, dealers and brokers.

LOCAL PRODUCTION

Local manufacturing is not a factor that could affect Canadian participation in the Guatemalan marketplace. Locally manufactured products are not replacement parts for motor, transmission, front or back wheel drive, or electrical components, but rather are limited to suspension springs, mufflers , brake linings, clutch components, and body manufacturers. There exist approximately 25 manufacturing concerns employing some 2500 people. This industry is located in or around Guatemala City and some of the major cities in the interior of the country. The local manufacturing capability partially meets internal demand and exports minimal quantities to other Central American Countries.

MARKET ACCESS

The Guatemalan market is easily accessible as the government does not require importers to meet any special regulations such as import licenses or labelling in spanish or any special packaging regulations.

IMPORT TARIFFS

The majority of goods imported into Guatemala will be dutiable in accordance with GATT tariff structures. Guatemala became a member of the GATT early in 1990 and is revising their import duty structure. Until the new tariff systems comes into effect, Guatemala is still regulated by the San José/Central American tariff system.

PRICE QUOTATIONS

The best method is CIF in United States dollars from a Canadian or U.S. port. FOB and FAS quotations are also acceptable but not as commonly used as CIF. If the price is not quoted in U.S. dollars the importer may have some difficulty evaluating the competitiveness of the product.

USUAL TERMS AND METHODS OF PAYMENT

Sales should initially be done on the basis of an irrevocable letter of credit. When a relationship has been established with the customer, more flexible terms, such as sight draft or credit terms may be implemented.

DEBT COLLECTIONS

In extreme cases, legal procedures could become the only means of recovery for overdue payments, but proceedings are slow and expensive and should be avoided if at all possible.

BANKING FACILITIES

Local Banking facilities are good and several foreign banks operate in Guatemala. Although there are no branches of Canadian banks operating in Guatemala, Canadian banks maintain a close relationship with local and resident foreign banks. Inquire with your bank in Canada for information concerning their correspondents in Guatemala.

SHIPPING SERVICES

There are two ports on the Atlantic coast: Santo Tomás de Castilla and Puerto Barrios. Santo Tomás is managed by an autonomous state port authority and served by a number of shipping lines operating on the Eastern Seaboard of the United States, as well as European, and Central and South American ports.

The first multi-purpose Guatemalan port on the Pacific coast, "Puerto Quetzal", began operating six years ago. It is located 62 miles from Guatemala City and 250 miles from the ports on the Atlantic coast, connected to them by highway and railroad.

AIR TRANSPORTATION

Guatemala is serviced by AVIATECA S.A. (a recently privatized Guatemalan airline), American Airlines, United, Aeronica, Copa Continental Airlines, KLM, Lacsa, Mexicana, Sahsa, Sam and Taca. "La Aurora" International Airport, conveniently located right in Guatemala City, provides direct links to Central America, Panama, the Dominican Republic, Spain, Netherlands, Mexico, the United States, and from there to the rest of the world.

DISTRIBUTION CHANNELS

1.) Automobile Dealerships. They import directly the largest amount of replacement parts, which are subsequently distributed through their retail spare parts outlets or from their service centres. Although these distributors import the majority of their replacement parts directly from the original equipment manufacturers, they also import universal replacement parts from independent manufacturers. An estimated 15% of dealer's stocks are purchased from independent exporters. This is the share of the market that Canadian exporters should concentrate on.

2.) Manufacturer's Agents. As the name implies, these importers are representatives who call on both the agencies and distributors retailing replacement parts. In most cases, they do not stock the parts and sell from catalogues and by importers orders. the representative takes the order and the factory ships directly to the customer who is responsible for paying the duties and customs clearance. The representative's main responsibility is to service his customers adequately when problems arise between manufacturer and importer.

For Canadian companies interested in the Guatemalan market we suggest that working with an established and aggressive representative/agent is the most effective way of penetrating the market. This approach is further enhanced if the manufacturer renders continuous support to his representative by keeping in contact with the customers by mailing catalogues and updated information and by making periodic visits to the marketplace to coordinate activities with his agent and to make joint calls on local customers. A genuine interest in servicing and working with the importers is still the number one marketing tool in this market place.

AUTOMOTIVE/TRUCK PARTS AND ACCESSORIES LIST

1. ALMACEN EL REPUESTO
   4a. Calle 4-41, Zona 1
   Tel: 512821
   Guatemala, C.A. NO FAX NUMBER AVAILABLE

2. ACQUARONI
   7a. Avenida 1-54, Zona 4
   Tels: 310931-311633-317284-367378
   Guatemala, C.A. FAX: (502-2) 326742

3. TRACTO-REPUESTOS, S.A.
   Calzada Aguilar Batres 8-05, Zona 12
   Tels: 722577-715974
   Guatemala, C.A. FAX: (502-2) 712537

4. AUTO PARTS
   Calzada Aguilar Batres 8-66, Zona 11
   Tel: 716492
   Guatemala, C.A. FAX: (502-2) 716492

5. DIDEA, S.A.
   7a. Avenida "A" 8-81, Zona 4
   Tel: 346323-29
   Guatemala, C.A. FAX: (502-2) 346329

6. COMERCIAL INTERNACIONAL
   Calzada San Juan 10-79, Zona 7
   Tels: 710378-721949
   Guatemala, C.A.' FAX: (502-2) 710378

7. DIASA
   6a. Avenida 0-25, Zona 4
   Tels: 318286-323991-316670
   Guatemala, C.A. NO FAX NUMBER AVAILABLE

8. FEDERAL MOGUL
Ruta 4, 4-70, Zona 4
Tels: 340935-340221
Edifico Maya, Sótano
Guatemala, C.A. FAX: (502-2) 316780

9. E. M. ALVAREZ & CIA.
17 Calle 8-36, Zona 1
Tels: 23662-84385-25409-27058
Guatemala, C.A. FAX: (502-2) 518668

10. EUROPARTES
5a. Avenida 2-13, Zona 9
Tels: 326516-347605
Guatemala, C.A. FAX: (502-2) 347605

11. KAR'S
Calle Martí 11-80, Zona 2
Tels: 24716-83219-536622
Guatemala, C.A. FAX: (502-2) 539260

12. MARSA
6a. Avenida 1-75, Zona 9
Tels: 321353 to 56
Guatemala, C.A. FAX: (502-2) 762392

13. OSCAR
1a. Calle 2-46, Zona 9
Tel: 322472
Guatemala, C.A. FAX: (502-2) 322472

14. SEDRA REPUESTOS
6a. Avenida (final) 14-12, Zona 9
Tels: 316430-366350-343968-343969
Guatemala, C.A. NO FAX NUMBER AVAILABLE

15. REPUESTOS PASSARELLI, S.A.
5a. Avenida 1-35, Zona 9
Tels: 313555/59
Guatemala, C.A. NO FAX NUMBER AVAILABLE

16. SEREGUA
24 Calle 5-78, Zona 11
Tels: 760835-760841-763691-763692
Guatemala, C.A. FAX: (502-2) 765786

17. SERTECA
Km. 15 Carretera al Pacífico, Villa Nueva
Tels: 0310-064 - 0310-106
Guatemala, C.A. TLX: 6369 DONAL-GU

18. CANELLA
7a. Avenida 8-65, Zona 4
Tels: 367441-45/348051-55
Guatemala, C.A. FAX: (502-2) 321222

19. KENWORTH DE CENTRO AMERICA
Calzada Aguilar Batres 36-46, Zona 11
Tels: 762538-762710-762600-762695
Guatemala, C.A. FAX: (502-2) 760133

20. DIFRATTI, S.A.
Calzada Aguilar Batres 30-53, Zona 12
Tels: 762834-768363-768367-768525
Guatemala, C.A. FAX: (502-2) 342568

21. CIDEA
10a. Avenida 30-57, Zona 5
Tels: 341531-35
Guatemala, C.A. FAX: (502-2) 365291

22. DIRESA
Calzada Aguilar Batres y 13 Calle 4-08, Zona 11
Tels: 717065-719946-736807-736808
Guatemala, C.A. FAX: (502-2) 712607

23. DISAGRO
Anillo Periférico 17-36, Zona 11
Tels: 731453-59/732601-09
Guatemala, C.A. FAX: (502-2) 732611

24. DISAUTOZ
Calzada Roosevelt 7-74, Zona 7
Tels: 715243-723656-714442-713413
Guatemala, C.A. FAX: (502-2) 711690

25. SIEBOLD & CIA. S.A. W.F.
7a. Avenida 2-30, Zona 4
Tel: 322333
Guatemala, C.A. FAX: (502-2) 322342

26. F. P. K. Y CIA. LTDA.
7a. Avenida 8-08, Zona 4
Tel: 319777
Guatemala, C.A. FAX: (502-2) 348488

27. AUTOIMPORTACIONES, S.A.
3a. Avenida 9-66, Zona 4
Tel: 363812
Guatemala, C.A. FAX: (502-2) 344614

MAJOR AUTOMOTIVE/TRUCK DEALERS

1.	AUTO CENTRO TIVOLI S.A. 14 Calle 7-46, Zona 9 Fax: (502-2) 319496	CITROEN
2.	AUTO MERCANTIL S.A. Calzada Aguilar Batres 25-13, Zona 12 Fax: (502-2) 765786	AUDI
3.	AUTOS SUZUKI 7a. Avenida 5-40, Zona 9 Fax: (502-2) 314736	SUZUKI
4.	IMSA Calzada Roosevelt 32-67, Zona 11 Fax: (502-2) 913252	ALFA ROMEO
4.	AUTO SUBARU S.A. 7a. Avenida 1-85, Zona 9 Fax: (502-2) 367415	SUBARU
5.	BAVARIA MOTORS S.A. 6a. Avenida 4-54, Zona 4 Fax: (502-2) 344538	B M W
6.	CANELLA S.A. 7a. Avenida 7-28, Zona 9 Fax: (502-2) 321222	OPEL OLDSMOBILE ISUZU
7.	CIDEA S.A. 7a. Avenida 7-28, Zona 9 Fax: (502-2) 365291	CHEVROLET BUICK NISSAN DATSUN BEDFORD
8.	COFIÑO STAHL & CIA. LTDA. 10 Avenida 31-71, Zona 5 Fax: (502-2) 347129	PONTIAC G M C BEDFORD TOYOTA

9.	KEPACO S.A. 10a. Avenida 20-43, Zona 1 Fax: (502-2) 537342	RANGE ROVER
10.	DIASA 12 Calle 0-71, Zona 9 Fax: (502-2) 323991	RENAULT NISSAN
11.	DIDEA 1a. Calle 7-69, Zona 9 Fax: (502-2) 346329	MAZDA
12.	IVESA Calzada Roosevelt Km 14, Zona 11 Fax: (502-2)	MAZDA
13.	EUROPA MOTORS CO. S.A. Calzada Aguilar Batres 25-29, Zona 12 Fax: (502-2) 765786	MERCEDES BENZ AUDI
14.	ICISA 24 Calle 5-78, Zona 11 2do. nivel Fax: (502-2) 765786	JEEP
15.	DIVEMO S.A. 10a. Avenida 30-11, Zona 5 Fax: (502-2) 348161	LADA
16.	FISCHER & CIA. Calzada Aguilar Batres 32-00, Zona 11 Fax: (502-2) 763671	FORD

MOST REQUESTED AUTOMOBILE SPARE PARTS

MOTOR PARTS

Gaskets
Gaskets and seals
Std. rings
Pistons
Bearing connecting rods
Set bearing
Crankshaft axle
Cam shaft
Timing chain
Sprocket - ca
Sprocket crank
Exhaust valves
Intake valves
Valve guide
Gear ring fly wheel-Assy. Flywheel
Cover timing chain
Assy oil pan
Shaft and valve rocker
Rocker valve
Springs
Collet valve
Shroud valve - inner
Lifter valve
Exhaust manifold
Intake manifold
Engine front mounting
Engine rear mounting

CARBURETTOR

Complete carburettors
Gasket sets
Injectors (pistons)

ELECTRIC

Spark plugs
Point set
Condensator

Ignition coil
Timer cap
Regulator/voltage
Spark plug cables
Rotor

ALTERNATOR

Diodes
Brushes
Bearings

STARTER

Pinion
Switch magnetic
Brushes + & -
Metal bearing - centre/case/cover rear
Armature

LAMPS

Sealed beam
Lamp side flashers
Lamps
Stop lenses

REAR AXLE

Drums
Rear axle shaft
Collar bearing
Seal
Shock absorber
Bush shackle
Springs
Wheels
Cap road wheels

WINDSHIELD

Front windshield
Rear windshield
Side windows
Flap windows

MISCELLANEOUS

FILTERS

Air
Oil
Gasoline

HOSES

Radiator
Brakes

SWITCHES

Temperature
Oil
Thermostat

BULBS

Two contacts
One contact

BELTS

Fan

CAPS

Radiator
Gasoline
Oil or valve caps

PUMPS

Water
Gasoline
Oil

REPAIR KITS

Water pump
Gasoline pump
Oil pump

FANS

Fan cooling

PULLEYS

Crankshaft
Water pump

BRAKES

Brake master cylinder
Gasket set master cylinder
Brake master cylinder - repair kit
Assy. cylinder front - rear
Kit gasket
Assy. shoe front - rear
Shoe springs
Brake pads
Hose - brake

STEERING

Side rods
Idler
Arm steering gear
Supports
Stabilizing rod - bolts - bush

CHASSIS AND OTHER PARTS

Front bumpers
Rear bumpers
Bumper supports
Grilles
Hood
Hood lock
Hood hinges
Right and left side fenders
Front doors
Rear doors
Trunk lids
Trunk lock
Trunk hinges

CLUTCH

Cover
Disc
Bearing clutch release
Gasket kit - main pump
Assy. cylinder clutch operating
Complete pumps
Cylinder clutch master

TRANSMISSION

Ring bulk
Bearings
Gears
Seals

DIFFERENTIAL

Gear and pinion
Pinion bearings
Differential side bearings
Pinion differential bevels
Gear side differential bevels
Pinion seals

FRONT AXLE

Arm knuckle
Ball joint lower - upper
Drums
Hub rod wheel - front
Wheel bearing inner - outer
Crossmember
Shock absorber